



## **Resolution Statement: Workgroup # 163 - Supply Chain Reporting and Invoicing**

January 22, 2015 DRAFT

### **Purpose of the Workgroup**

The generation of a single mailing involves multiple parties across the mailing supply chain. These parties are responsible for different aspects of mail preparation that may be invoiced by a Mail Entry program (currently Full-Service, eInduction, and Seamless Acceptance). The mailing industry is interested in attributing invoice-able errors to responsible parties for investigation, resolution, and payment. We were to recommend a potential approach to distributing responsibility for mail preparation errors to parties other than the eDoc submitter.

### **Participation and Discussion Format**

There were weekly to biweekly meetings among 45 members of the Supply Chain from USPS to Logistics companies, software providers, to Mail Service providers, printers, to Mail owners, etc. represented. The group discussed situations and potential issues seen in actual mail manufacturing flows that impacted mail quality and the resulting metrics on USPS scorecards.

### **Recommendations**

1. WG 163 submitted its recommendations in November 2014 for more elegant technical solutions to identify the responsible party and allow assessments to be made to the responsible party in lieu of the current default eDoc Submitter role. These individual recommendations are documented as part of the Mail.dat and Mail.xml CR Requests and are available in MITS. We supplied recommendations for the following Supply Chain Assessment issues:
  - a. By/For Manifest
  - b. Move Update Identification
  - c. Uniqueness Manager
  - d. FAST Scheduler ID for eInduction Mis-Shipped errors

Our recommendations generated a response from the USPS which is also attached. The USPS had the IT Development evaluate and supply a ROM estimate for development costs of our proposals. Due to the USPS' current financial position, they are unable to support any of our proposals at this time. The USPS developed a short term Outreach solution to address the Mailing Industry's concerns about assessments. This is a Root Cause analysis and Project Management approach designed to work with identified mailers currently in excess of mail quality thresholds. BMS and BME personnel will be trained to assist these mailers in identifying corrective actions required to bring mailing quality back into compliant levels. The initial metric being attacked is Move Update with lessons learned and the same planned approach applied to all other Scorecard metrics for Electronic Verification, Seamless Acceptance, and eInduction to improve mail quality and threshold compliance. This response and description of the Outreach program is also located on MITS titled: *Outreach and WG 163 USPS response.*

2. WG 163 members wanted to stress to USPS the magnitude and significance of this Business Process change. The move to electronic verification via census data and scorecards will be a radical departure for the Mailing Industry after decades of paper based and manual sampling mailing verifications. The group recommends that the USPS should allow adequate time ( e.g. a minimum of a 90 days grace period) to adjust to these changes only after satisfactory piloting of the new assessment and review process has met its objectives with pilot participants. There are many mailers that will have a steep learning curve. This transition will be resource intensive for both mailers and USPS to support this Business Process change successfully.
3. WG 163 members also recommend that the USPS recognize that compromises may be required without more elegant technical solutions to achieve mail quality compliance. Costs should not be shifted to mailers to perform much more manual and costly tasks to supply “nice to have “ information. Rules development and implementation should avoid imposing undue manual separation and other burdens on mailers to obtain information that technology could provide when and if development was warranted by the USPS. WG 163 understands and appreciates the USPS response to not support its recommendations and is confident that with the USPS focus on mail quality will address the industry’s concerns here fairly.
4. WG 163 also recommends that both USPS and industry clarify rules definition requirements and training on rules interpretation( e.g. customized By/For thresholds) that meet the spirit of the intent of the rule is after to promote mail quality that affects actual USPS rework costs or extra handlings.
5. WG 163 recommendations are in place as Change Requests and are to be added to Mail.dat and Mail.XML specifications for industry use while not supported by the USPS and PostalOne!

WG 163 submitted its recommendations for more elegant technical solutions to identify the responsible party and allow assessments to be made to the responsible party in lieu of the current default eDoc Submitter role. These individual recommendations are documented as part of the Mail.dat CR Requests and are available in MITS. These WG 163 documents led to the USPS response and Outreach Program as a short term manageable non-technical solution so Scorecard and process development could continue as designed.

## Conclusion

Our conclusion is that WG 163 identified a more technical and comprehensive process flow to enable the fair adjudication on mail quality errors and postage assessments. With the current developmental nature of the scorecard paradigm shift and the USPS’ financial position, it makes sense to concentrate on improving mail quality through a root cause analysis and project management approach. This Workgroup’s recommendations can be acted upon when, and if needed. After both the USPS and industry gain significantly more experience on the more complete scorecard and assessment processing workflow, we have identified potential solutions with placeholders in Mail.dat/Mail.xml specifications that can help support the industry’s needs.

Since the USPS direction path is clear and its initial solution design is on its way to implementation, it is the leadership’s view that any developing issues should fall within the PostalOne (UG#1) and FAST User

Groups ( UG #3). We also believe that any postal policy and procedural changes would fall under the Seamless Acceptance WG 143 led by Garrett Hoyt.